

		FOR OHF USE					

LL1

2004
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2004)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0040691

Facility Name: ALDEN TERRACE OF MCHENRY REHAB

Address: 803 ROYAL DRIVE MCHENRY 60050
Number City Zip Code

County:

Telephone Number: (815) 344-2600 Fax # (815) 344-5414

IDPA ID Number: 36-4003491

Date of Initial License for Current Owners: 03/01/95

Type of Ownership:

<input type="checkbox"/>	VOLUNTARY, NON-PROFIT	<input checked="" type="checkbox"/>	PROPRIETARY	<input type="checkbox"/>	GOVERNMENTAL
<input type="checkbox"/>	Charitable Corp.	<input type="checkbox"/>	Individual	<input type="checkbox"/>	State
<input type="checkbox"/>	Trust	<input type="checkbox"/>	Partnership	<input type="checkbox"/>	County
IRS Exemption Code		<input checked="" type="checkbox"/>	Corporation	<input type="checkbox"/>	Other
		<input type="checkbox"/>	"Sub-S" Corp.		
		<input type="checkbox"/>	Limited Liability Co.		
		<input type="checkbox"/>	Trust		
		<input type="checkbox"/>	Other		

In the event there are further questions about this report, please contact:
Name: STEVEN M. KROLL Telephone Number: (773) 286-3883

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2004 to 12/31/2004 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider	(Signed)		(Date)
	(Type or Print Name)	STEVEN M. KROLL	
	(Title)	CHIEF FINANCIAL OFFICER	
Paid Preparer	(Signed)		(Date)
	(Print Name and Title)		
	(Firm Name & Address)		
	(Telephone)	()	Fax # ()
	MAIL TO: OFFICE OF HEALTH FINANCE ILLINOIS DEPARTMENT OF PUBLIC AID 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630		

Facility Name & ID Number ALDEN TERRACE OF MCHENRY REHAB

0040691 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds NO CHANGE

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	316	Skilled (SNF)	316	115,656	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	316	TOTALS	316	115,656	7

B. Census-For the entire report period.

	1 Level of Care	2 3 4 5 Patient Days by Level of Care and Primary Source of Payment				
		Public Aid Recipient	Private Pay	Other	Total	
8	SNF	7,037	582	8,657	16,276	8
9	SNF/PED					9
10	ICF	43,934	3,960	153	48,047	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	50,971	4,542	8,810	64,323	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 55.62%

D. How many bed-hold days during this year were paid by Public Aid? 0 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy) DAYCARE

F. Does the facility maintain a daily midnight census? YES

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care? YES ☐ NO ☒

H. Does the BALANCE SHEET (page 17) reflect any non-care assets? YES ☐ NO ☒

I. On what date did you start providing long term care at this location? Date started 3/01/95

J. Was the facility purchased or leased after January 1, 1978? YES ☒ Date 03/01/95 NO ☐

K. Was the facility certified for Medicare during the reporting year? YES ☒ NO ☐ If YES, enter number of beds certified 105 and days of care provided 6,767

Medicare Intermediary ADMINISTAR FEDERAL

IV. ACCOUNTING BASIS

ACCRAUAL ☒ MODIFIED CASH* ☐ CASH* ☐

Is your fiscal year identical to your tax year? YES ☒ NO ☐

Tax Year: 12/31/04 Fiscal Year: 12/31/04

* All facilities other than governmental must report on the accrual basis.

STATE OF ILLINOIS												
Facility Name & ID Number		ALDEN TERRACE OF MCHENRY REHAE				#	0040691	Report Period Beginning:		01/01/2004	Ending:	Page 3 12/31/2004
V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)												
	Operating Expenses	Costs Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	A. General Services											
1	Dietary	234,549	37,183	9,600	281,332	330	281,662		281,662			1
2	Food Purchase		382,079		382,079	(37,238)	344,841	(6,260)	338,581			2
3	Housekeeping	155,704	41,532		197,236	1,479	198,715		198,715			3
4	Laundry	69,278	17,704		86,982	353	87,335		87,335			4
5	Heat and Other Utilities			225,739	225,739		225,739	(8,079)	217,660			5
6	Maintenance	32,991	564	134,803	168,358	81	168,439	15,118	183,557			6
7	Other (specify):* related party salary							47,569	47,569			7
8	TOTAL General Services	492,522	479,062	370,142	1,341,726	(34,995)	1,306,731	48,348	1,355,079			8
	B. Health Care and Programs											
9	Medical Director			32,700	32,700		32,700		32,700			9
10	Nursing and Medical Records	2,597,508	143,606	12,016	2,753,130	3,608	2,756,738	(42,981)	2,713,757			10
10a	Therapy	80,181	11		80,192		80,192		80,192			10a
11	Activities	100,456	2,445	5,282	108,183	127	108,310		108,310			11
12	Social Services	30,451			30,451		30,451		30,451			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):* related party salary							35,574	35,574			15
16	TOTAL Health Care and Programs	2,808,596	146,062	49,998	3,004,656	3,735	3,008,391	(7,407)	3,000,984			16
	C. General Administration											
17	Administrative	79,929			79,929		79,929		79,929			17
18	Directors Fees											18
19	Professional Services			729,182	729,182		729,182	(641,455)	87,727			19
20	Dues, Fees, Subscriptions & Promotions			49,036	49,036		49,036	(35,031)	14,005			20
21	Clerical & General Office Expenses	126,643	23,255	33,930	183,828	143	183,971	62,046	246,017			21
22	Employee Benefits & Payroll Taxes			460,007	460,007	31,117	491,124	(1,162)	489,962			22
23	Inservice Training & Education											23
24	Travel and Seminar			3,637	3,637		3,637	15,360	18,997			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			290,156	290,156		290,156	340	290,496			26
27	Other (specify):* related party salary			(36,539)	(36,539)		(36,539)	462,456	425,917			27
28	TOTAL General Administration	206,572	23,255	1,529,409	1,759,236	31,260	1,790,496	(137,446)	1,653,050			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,507,690	648,379	1,949,549	6,105,618		6,105,618	(96,505)	6,009,113			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage	Supplies	Other	Total					9	10	
	D. Ownership	1	2	3	4	5	6	7	8			
30	Depreciation			73,625	73,625		73,625	6,637	80,262			30
31	Amortization of Pre-Op. & Org.							2,037	2,037			31
32	Interest			308,875	308,875		308,875	(244,863)	64,012			32
33	Real Estate Taxes			216,414	216,414		216,414	8,887	225,301			33
34	Rent-Facility & Grounds			2,403,904	2,403,904		2,403,904		2,403,904			34
35	Rent-Equipment & Vehicles			11,095	11,095		11,095	25,782	36,877			35
36	Other (specify):*											36
37	TOTAL Ownership			3,013,913	3,013,913		3,013,913	(201,520)	2,812,393			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		381,015	462,249	843,264		843,264	(154,943)	688,321			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops		73		73		73	(73)				41
42	Provider Participation Fee			173,484	173,484		173,484		173,484			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers		381,088	635,733	1,016,821		1,016,821	(155,016)	861,805			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	3,507,690	1,029,467	5,599,195	10,136,352		10,136,352	(453,041)	9,683,311			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.
In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer- ence	3 OHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income	(2,344)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(844)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	(3,129)	21		17
18	Fines and Penalties				18
19	Entertainment	(1,262)	20		19
20	Contributions	(2,548)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(8,023)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	36,538	27		24
25	Fund Raising, Advertising and Promotional	(27,852)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising	(212)	20		28
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (9,676)		\$	30

OHF USE ONLY							
48		49		50		51	

B. If there are expenses experienced by the facility which do not appear in the
general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(116,832)	pg 6s	34
35	Other- Attach Schedule	(326,533)	pg 5A	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (443,365)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (453,041)		37

*These costs are only allowable if they are necessary to meet minimum
licensing standards. Attach a schedule detailing the items included
on these lines.

C. Are the following expenses included in Sections A to D of pages 3
and 4? If so, they should be reclassified into Section E. Please
reference the line on which they appear before reclassification.
(See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		X	\$		38
39			X			39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44	Exceptional Care Program		X			44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	TOTAL (C): (sum of lines 38-46)			\$		47

STATE OF ILLINOIS

ALDEN TERRACE OF MCHENRY REHAB

Report Period Beginning:

Ending:

ID#

0040691

01/01/2004

12/31/2004

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference	Sch. V Line
1		\$		1
2	Late fees on utilities	(11,604)	5	2
3	gift shop expenses	(73)	41	3
4	related company interest	(302,424)	32	4
5	marketing mgr.salary	(8,857)	21	5
6	marketing mgr. Benefits	(1,162)	22	6
7	ICHA fees	(3,775)	20	7
8	2004 deferred paint. Adjustment	3,905	6	8
9	2004 deferred paint. Adjustment	(3,905)	30	9
10	2004 deferred maintenance. Adjustment	1,362	6	10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(326,533)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number ALDEN TERRACE OF MCHENRY REHAB # 0040691 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(844)	0	0	(5,416)	0	0	0	0	0	0	0	(6,260)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(11,604)	0	3,525	0	0	0	0	0	0	0	0	(8,079)	5
6	Maintenance	5,267	0	10,529	0	0	0	(27)	(651)	0	0	0	15,118	6
7	Other (specify):*	0	0	47,569	0	0	0	0	0	0	0	0	47,569	7
8	TOTAL General Services	(7,181)	0	61,623	(5,416)	0	0	(27)	(651)	0	0	0	48,348	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	(34,341)	(8,640)	0	0	0	0	0	0	(42,981)	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	35,574	0	0	0	0	0	0	0	0	35,574	15
16	TOTAL Health Care and Programs	0	0	35,574	(34,341)	(8,640)	0	0	0	0	0	0	(7,407)	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(8,023)	0	(633,432)	0	0	0	0	0	0	0	0	(641,455)	19
20	Fees, Subscriptions & Promotions	(35,649)	0	618	0	0	0	0	0	0	0	0	(35,031)	20
21	Clerical & General Office Expenses	(11,986)	0	39,913	27,637	6,482	0	0	0	0	0	0	62,046	21
22	Employee Benefits & Payroll Taxes	(1,162)	0	0	0	0	0	0	0	0	0	0	(1,162)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	15,360	0	0	0	0	0	0	0	0	15,360	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	0	0	340	0	0	0	0	0	0	0	0	340	26
27	Other (specify):*	36,538	0	409,390	6,483	10,045	0	0	0	0	0	0	462,456	27
28	TOTAL General Administration	(20,282)	0	(167,811)	34,120	16,527	0	0	0	0	0	0	(137,446)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(27,463)	0	(70,614)	(5,637)	7,887	0	(27)	(651)	0	0	0	(96,505)	29

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
(to Sch V, col.7)														
30	Depreciation	(3,905)	0	9,144	0	1,398	0	0	0	0	0	0	6,637	30
31	Amortization of Pre-Op. & Org.	0	0	2,037	0	0	0	0	0	0	0	0	2,037	31
32	Interest	(304,768)	0	57,774	0	465	1,666	0	0	0	0	0	(244,863)	32
33	Real Estate Taxes	0	0	8,445	0	442	0	0	0	0	0	0	8,887	33
34	Rent-Facility & Grounds	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Rent-Equipment & Vehicles	0	0	25,782	0	0	0	0	0	0	0	0	25,782	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(308,673)	0	103,182	0	2,305	1,666	0	0	0	0	0	(201,520)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	(25,091)	(33,467)	(96,385)	0	0	0	0	0	(154,943)	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	(73)	0	0	0	0	0	0	0	0	0	0	(73)	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	TOTAL Special Cost Centers	(73)	0	0	(25,091)	(33,467)	(96,385)	0	0	0	0	0	(155,016)	44
	GRAND TOTAL COST													
45	(sum of lines 29, 37 & 44)	(336,209)	0	32,568	(30,728)	(23,275)	(94,719)	(27)	(651)	0	0	0	(453,041)	45

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See page 6K						

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒ YES

☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
1	V			\$			\$	\$	1
2	V								2
3	V								3
4	V								4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			\$			\$	\$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	19	Professional fees	\$ 645,908	Alden Management Services, Inc.	0.00%	\$ 12,476	\$ (633,432)	15
16	V	21	Clerical and G & A		Alden Management Services, Inc.		39,913	39,913	16
17	V	5	Utilities		Alden Management Services, Inc.		3,525	3,525	17
18	V	6	Maintenance		Alden Management Services, Inc.		10,529	10,529	18
19	V	24	Travel & seminar		Alden Management Services, Inc.		15,360	15,360	19
20	V	26	Insurance		Alden Management Services, Inc.		340	340	20
21	V	20	Dues/subscriptions/fees etc		Alden Management Services, Inc.		618	618	21
22	V	30	Depreciation		Alden Management Services, Inc.		9,144	9,144	22
23	V	31	Amortization		Alden Management Services, Inc.		2,037	2,037	23
24	V	33	Real estate taxes		Alden Management Services, Inc.		8,445	8,445	24
25	V	35	Rent-equipment/vehicles		Alden Management Services, Inc.		25,782	25,782	25
26	V	32	Interest		Alden Management Services, Inc.		57,774	57,774	26
27	V	7	Salaries-general serv		Alden Management Services, Inc.		47,569	47,569	27
28	V	15	Salaries-health care		Alden Management Services, Inc.		35,574	35,574	28
29	V	27	Salaries-general admin		Alden Management Services, Inc.		409,390	409,390	29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			\$ 645,908			\$ 678,476	\$ * 32,568	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	2	tube-feeding	\$ 34,280	Pyramid Health Care	0.00%	\$ 28,864	\$ (5,416)	15
16	V	10	nursing supplies	39,471	Pyramid Health Care		5,130	(34,341)	16
17	V	39	per diems/other supplies	57,024	Pyramid Health Care		31,933	(25,091)	17
18	V	21	gen'l & admin		Pyramid Health Care		27,637	27,637	18
19	V	27	gen'l & admin		Pyramid Health Care		6,483	6,483	19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			\$ 130,775			\$ 100,047	\$ * (30,728)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒ X

 YES

☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	39	drugs	\$ 133,187	Forum Extended Care II	0.00%	\$ 114,879	\$ (18,308)	15
16	V	10	house stock	4,042	Forum Extended Care II		3,486	(556)	16
17	V	39	I.V.	110,276	Forum Extended Care II		95,117	(15,159)	17
18	V				Forum Extended Care II				18
19	V	21	gen't & admin		Forum Extended Care II		6,482	6,482	19
20	V	32	interest		Forum Extended Care II		465	465	20
21	V	33	real estate tax		Forum Extended Care II		442	442	21
22	V	30	depreciation		Forum Extended Care II		1,398	1,398	22
23	V	27	general and adminisytation		Forum Extended Care II		10,045	10,045	23
24	V	10	Pharmacy Consulting	8,084	Forum Extended Care II			(8,084)	24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			\$ 255,589			\$ 232,314	\$ * (23,275)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒ X

 YES

☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	39	therapy	\$ 451,686	Community Physical Therapy	0.00%	\$ 355,301	\$ (96,385)	15
16	V	32	interest		Community Physical Therapy		1,666	1,666	16
17	V	31	amortization		Community Physical Therapy				17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			\$ 451,686			\$ 356,967	\$ * (94,719)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒ YES☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	6	repairs and maintenance	\$ 18,343	Alden Bennett Construction	0.00%	\$ 18,316	\$ (27)	15
16	V								16
17	V								17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			\$ 18,343			\$ 18,316	\$ * (27)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

X YES NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	6	CARPET CLEANING	\$ 150	ALDEN REALTY - CARPET CARE	0.00%	\$ 134	\$ (16)	15
16	V	6	FLOOR CLEANING	6,520	ALDEN REALTY - FLOOR CARE		5,885	(635)	16
17	V								17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			\$ 6,670			\$ 6,019	\$ * (651)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

STATE OF ILLINOIS

Page 6K

Facility Name & ID Number ALDEN NURSING CENTER - McHenry

004-0691

Report Period Beginning 01/01/03

Ending: 12/31/03

RELATED NURSING HOMES	
Name	City
Note: ANC = Alden Nursing Center	
ANC Lakeland	Chicago
ANC Long Grove	Long Grove
ANC Heather	Harvey
ANC Lincoln Park	Chicago
ANC Northmoor	Chicago
ANC Town Manor	Chicago
ANC Terrace of McHenry	McHenry
ANC Morrow	Chicago
ANC Wentworth	Chicago
ANC Naperville	Naperville
ANC Valley Ridge	Bloomington
ANC Village for Children & Young Adults	Bloomington
ANC Orland Park	Orland Park
ANC Princeton	Chicago
Alden of Old Town East	Bloomington
Alden of Old Town West	Bloomington
Alden Trails	Bloomington
ANC Waterford	Aurora
ANC Des Plaines	Des Plaines
ANC Des Plaines II	Des Plaines
ANC Alma Nelson	Rockford
ANC Park Stratmoor	Rockford
ANC Meadow Park	Rockford
ANC Poplar Creek	Hoffman Estates
ANC Governor's Park of Barrington	Barrington
ANC Gardens of Rockford	Rockford

OTHER RELATED BUSINESS ENTITIES		
Name	City	Type of Business
The Forum Prof. Center	Chicago	Office rental
Pyramid Health Care	Chicago	Nursing supplies
Forum Extended Care II	Chicago	Pharmacy
Alden Management	Chicago	Management
Alden Estates of Evanston	Evanston	Assisted living
Community Physical Therapy	Wood Dale	Therapy provider
Courts of Waterford	Aurora	Alzheimers unit
Gardens of Waterford	Aurora	Assisted living

Facility Name & ID Number ALDEN TERRACE OF MCHENRY REHA # 0040691 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Floyd A Schlossberg	President/CFO	Presid.	100.00	214,921	2.256	5.64	salary	\$ 12,843	27-7	1
2	Lauren Magnussen	Clinical Coordinator	Nursing		69,402	2.256	5.64	salary	4,147	15-7	2
3	Terry Magnussen	Maintenance Supr	Maint.		47,181	2.256	5.64	salary	2,819	7-7	3
4											4
5											5
6	a. Floyd Schlossberg is the President and sole stockholder of The Alden Group,Ltd.										6
7	b. Lauren Magnusson is the daughter of Floyd Schlossberg. Lauren is a nurse coordinator.										7
8	c. Terry Magnusson is the son-in-law of Floyd Schlossberg. Terry is in maintenance and construction.										8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 19,809		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Facility Name & ID Number ALDEN TERRACE OF MCHENRY REHAB # 0040691 Report Period Beginning: 01/01/2004 Ending: 2/31/2004

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization Alden Management Services, Inc.
Street Address 4200 W. Peterson
City / State / Zip Code Chicago, IL 60646
Phone Number (773-286-3883)
Fax Number (773-286-3743)

	1	2	3	4	5	6	7	8	9	
	Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1		see page 8a				\$	\$		\$	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					\$	\$		\$	25

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

1	2		3	4	5	6		7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
		YES	NO				Original	Balance				
	A. Directly Facility Related Long-Term											
1							\$	\$			\$	1
2												2
3												3
4												4
5												5
	Working Capital											
6	CPT/IHT	X									1,666	6
7	FECH	X									465	7
8	AMS & Ther. Systems Int.	X									64,225	8
9	TOTAL Facility Related						\$	\$			\$ 66,356	9
	B. Non-Facility Related*											
10	offset interest expense with interest ncome										(2,344)	10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						\$	\$			\$ (2,344)	14
15	TOTALS (line 9+line14)						\$	\$			\$ 64,012	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ Line #

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.)

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

		Important , please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.			
1. Real Estate Tax accrual used on 2003 report.				\$	222,700 1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)				\$	216,314 2
3. Under or (over) accrual (line 2 minus line 1).				\$	(6,386) 3
4. Real Estate Tax accrual used for 2004 report. (Detail and explain your calculation of this accrual on the lines below.)				\$	222,800 4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)				\$	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund.					
TOTAL REFUND \$ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)				\$	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.				\$	216,414 7
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:		1999	189,593	8	
		2000	202,250	9	
		2001	203,951	10	
		2002	216,193	11	
		2003	216,314	12	
Current year accrual is an estimate based on a 3% increase of prior year's bill.					
				13	FROM R. E. TAX STATEMENT FOR 2003 \$ 13
				14	PLUS APPEAL COST FROM LINE 5 \$ 14
				15	LESS REFUND FROM LINE 6 \$ 15
				16	AMOUNT TO USE FOR RATE CALCULATION \$ 16

- NOTES:
1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.

2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates RE: 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAMEALDEN TERRACE OF MCHENRY REHABCOUNTYMchenry

FACILITY IDPH LICENSE NUMBER0040691

CONTACT PERSON REGARDING THIS REPORTSteven M. Kroll

TELEPHONE773-286-3883FAX #:773-286-3743

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2003.

(A)	(B)	(C)	(D)
			Tax
Tax Index Number	Property Description	Total Tax	Applicable to Nursing Home
1. 09-34-177-006	Nursing home facility	\$ 3,180.00	\$ 3,180.00
2. 09-34-177-009	Nursing home facility	\$ 212,901.00	\$ 212,901.00
3. 09-34-177-010	Nursing home facility	\$ 233.82	\$ 233.82
4.	Related party-Alden Management	\$ 149,765.00	\$ 8,445.00
5.	Related party-Forum	\$ 13,827.00	\$ 442.00
6.		\$	\$
7.		\$	\$
8.		\$	\$
9.		\$	\$
10.		\$	\$
TOTALS		\$ 379,906.82	\$ 225,201.82

B. Real Estate Tax Cost Allocations

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the original 2003 tax bills which were listed in Section A to this statement. Be sure to use the 2003 tax bill which is normally paid during 2004.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	N/A			\$	1
2					2
3	TOTALS			\$	3

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1	2	3	4	5	6	7	8	9		
	Beds*	FOR OHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	Related party-Forum			1978	\$ 16,213	\$	22	\$	\$	\$ 16,213	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Climate Service (Ventilation)			1995	1,828	122	15	122		1,168	9
10	Climate Service (Ventilation)			1995	1,915	128	15	128		1,213	10
11	Climate Service _Controls			1995	2,885	192	15	192		1,827	11
12	Climate Service-Controls			1995	1,251	83	15	83		793	12
13	Climate Service (A?C Motors,Transfomer)			1995	1,840	123	15	123		1,155	13
14	climate Services _Controls			1995	1,200	80	15	80		747	14
15	JD & Sons-Roofing			1995	7,500	750	10	750		7,000	15
16	Grat Lakes Plumbing _Discahrge Pump			1995	3,563	238	15	238		2,217	16
17	Midwest Wlectrical			1995	3,332		5			3,332	17
18	Climate Services, Inc.-Ventilation			1995	2,295	153	15	153		1,403	18
19	CSI-New Pump			1995	1,483	148	10	148		1,347	19
20	Eagle Flag & Banner			1995	680	57	12	57		524	20
21	Equipment International _Repair Dishwasher			1996	1,793		5			1,793	21
22	JD & Sons-Roofing			1996	7,700	770	10	770		6,545	22
23	ABC _Roof top Condensor			1996	8,668	867	10	867		7,259	23
24	Install Walk in refrigeratorr			1997	2,177		5			2,177	24
25	Install Ceramic Tile			1997	1,535		5			1,535	25
26	Engine/generator repaired			1997	3,099		5			3,099	26
27	New Cylinder			1997	12,800		5			12,800	27
28	Instll new condenser			1997	8,166		5			8,166	28
29	Install new cylinder			1997	15,300		5			15,300	29
30	Install Floor tile			1997	4,102		5			4,102	30
31	HVAC Boiler			1997	5,888		5			5,888	31
32	Custom wall plates			1997	386	39	10	39		280	32
33	A&B Custom Cable Wall plates			1997	1,918	192	10	192		1,391	33
34											34
35											35
36											36

*Total beds on this schedule must agree with page 2.
 **Improvement type must be detailed in order for the cost report to be considered complete.
 See Page 12A, Line 70 for total

XI. OWNERSHIP COSTS (continued)
 B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37	Wigdahl Electric (install new fixtures, relocate outlets)	1998	\$ 1,759	\$	5	\$	\$	\$ 1,759	37
38	Wigdahl Electric (repair lighting, timeclock)	1998	1,853		5			1,853	38
39	Climate Service (repaired boiler)	1998	16,029	1,603	10	1,603		11,087	39
40	Atash (repair spinkler system)	1998	1,558	156	10	156		1,090	40
41	J.D. & Son (roof repair)	1998	10,000	1,000	10	1,000		6,500	41
42	CSI (dietary refrigerator)	1998	1,670	167	10	167		1,086	42
43	CSI (sump cover)	1998	4,900	490	10	490		3,103	43
44	Patten (generator repairs)	1998	3,856	193	20	193		1,237	44
45	CSI (insulate duct on air handler)	1998	2,750	183	15	183		1,161	45
46	CSI (repair air conditioner)	1998	1,698	170	10	170		1,075	46
47	CSI (replace gaskets on hot water coil)	1998	3,934	197	20	197		1,213	47
48	North Town Food Service (repair dish machine)	1999	1,861	186	10	186		1,117	48
49	Alden Bennet Construction (tank replacement)	1999	8,649	346	25	346		2,018	49
50	Patten (Fuel Tank Repairs, need invoice)	1999	1,724	172	10	172		977	50
51	Chicago Cooling Corp. (repair of unit 5, and inspection)6/99	1999	2,367	237	10	237		1,321	51
52	Climate Service,Inc. (replace 15 ton condenser)	1999	9,374	625	15	625		3,437	52
53	Climate Service, Inc.(replace 10 ton condenser)	1999	7,100	473	15	473		2,603	53
54	Climate Service, Inc. (compressor)	1999	7,466	498	15	498		2,696	54
55	Climate Service, Inc.(vac pump)	1999	1,644	110	15	110		585	55
56	Climate Service, Inc.(compressor maintenance)	1999	1,728	115	15	115		605	56
57	Capps Plumbing & Sewer(install trap & rodded pipes)	1999	1,835	184	10	184		963	57
58	Climate Service, Inc.(tank repair and maintenance)	1999	2,380	95	25	95		484	58
59	Shine Rite Maintenance(refinish tile floors)	1999	4,805	481	10	481		2,443	59
60	Alden Bennet Construction (tile/roofing)	2000	8,214	821	10	821		3,970	60
61	Alden Bennet Construction (tile/roofing)	2000	11,459	1,146	10	1,146		4,966	61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 240,130	\$ 13,590		\$ 13,590	\$	\$ 168,623	70

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 240,130	\$ 13,590		\$ 13,590	\$	\$ 168,623	1
2	Fox Valley Fire & Safety (replace smoke detectors)	2000	3,731	373	10	373		1,772	2
3	CSI Coker Service (repair dishwasher)	2000	3,299	330	10	330		1,567	3
4	Welding Supply Inc (repair alarm system)	2000	2,750	275	10	275		1,283	4
5	Welding Supply Inc (repair alarm system)	2000	6,649	665	10	665		3,103	5
6	System Electric Inc (new controls for oxygen system)	2000	1,785	223	8	223		1,041	6
7	GT Mechanical (repair laundry compressor)	2000	2,700	270	10	270		1,215	7
8	CSI Coker Service (repair dishwasher)	2000	1,536	154	10	154		691	8
9	Equipment International (repair laundry equipment)	2000	1,670	167	10	167		738	9
10	GT Mechanical (repair pneumatic system compressor)	2000	2,431	243	10	243		1,074	10
11	Advanced Parts & Service (repair food processor)	2000	2,026	203	10	203		895	11
12	CSI Coker Service (repair boiler)	2000	5,985	599	10	599		2,494	12
13		2000			10				13
14		2000			10				14
15	Capps -Plumbing &2670(install new bolt flange checkvalve)	2001	1,865	124	15	124		497	15
16	Sentry Protection Systems (annual maintenance on the fire alarm	2001	2,151	143	15	143		550	16
17	CSI- Coker Service, 039721	2001	1,523	152	10	152		584	17
18	Patten (replace with updated phase monitor)	2001	1,898	190	10	190		743	18
19	Rockford Steam(hvac work)	2001	6,562	656	10	656		2,406	19
20					15				20
21	GT Mechanical(replace compressor)	2001	4,947	330	15	330		1,154	21
22	Alden Bennett Const. (lock install./repair)	2001	2,017	202	10	202		740	22
23	GT Mechanical, Inc (replace high pressure switch)	2001	2,516	168	15	168		573	23
24	CSI Coker (bldng. Improvement)	2001	1,708	114	15	114		408	24
25	Alden Bennett Const. (invoice to follow)	2001	20,742	2,074	10	2,074		7,951	25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 320,622	\$ 21,245		\$ 21,245	\$	\$ 200,102	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number ALDEN TERRACE OF MCHENRY REHAB

0040691

Report Period Beginning:

01/01/2004

Ending:

12/31/2004

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 320,622	\$ 21,245		\$ 21,245	\$	\$ 200,102	1
2	<u>EQUINT Equipment International (gas dryer)</u>	2002	3,240	324	10	324		729	2
3	<u>AQUSEER .REBUILD 2 WATER SOFTNE</u>	2002	2,500	250	10	250		563	3
4	<u>ALDBEN Alden Bennett Construct (need invoice)</u>	2002	18,173	1,212	15	1,212		3,635	4
5	<u>ENGSEC Engineered Security Sys</u>	2002	3,091	206	15	206		498	5
6	<u>ALDBEN Alden Bennett Construct</u>	2002	25,143	1,676	15	1,676		4,191	6
7	<u>ALDBEN Alden Bennett Construct (building improvement)</u>	2002	3,391	226	15	226		603	7
8	<u>TTIRRI T & T Irrigation Inc.(lawn sprinkler system)</u>	2002	15,000	600	25	600		1,550	8
9	<u>PATTEN (replace batteries of radiator & install crank case)</u>	2002	1,517	101	15	101		278	9
10	<u>FEMORA (REPLACED 50 SMOKE DETEC)</u>	2002	8,364	836	10	836		2,370	10
11	<u>FEMORA (REPAIR FIRE ALARM)</u>	2002	3,374	337	10	337		984	11
12	<u>GTMECH Gt Mechanical Inc (install new shaft & bearing).</u>	2002	2,216	148	15	148		431	12
13	<u>ALDBEN Alden Bennett Construct(install radar,painting & fire d</u>	2002	12,850	857	15	857		1,856	13
14									14
15	<u>Aqua Service-overhaul-water softener units</u>	2002	2,490	498	5	498		1,120	15
16	<u>ABC various repairs</u>	2002	54,669	2,733	20	2,733		6,150	16
17	<u>ABC-various reopairs</u>	2002	23,660	1,577	15	1,577		3,417	17
18	<u>Aurora Tri State Fire-smoke detectors</u>	2002	4,322	432	10	432		936	18
19	<u>Aurora Tri State Fire-smoke detectors</u>	2002	6,200	620	10	620		1,395	19
20	<u>Aurora Tri State Fire-install alarms</u>	2002	6,559	656	10	656		1,476	20
21	<u>Simplex Grinnell-remove old andsul dry clean unit</u>	2002	2,987	299	10	299		622	21
22	<u>A&B Custom Cable-install cable/outlets</u>	2003	4,908	286	10	286		572	22
23	<u>GT Mechanical-boiler repair</u>	2003	4,892	489	11	489		978	23
24	<u>ABC-receiving door/sensor</u>	2003	6,623	662	10	662		1,324	24
25	<u>ABC-ceiling heaters installed</u>	2003	4,570	457	10	457		876	25
26	<u>ABC-aluminum outdoor fencing</u>	2003	5,137	342	15	342		627	26
27	<u>Real Green sprinkler maintenance</u>	2003	3,730	746	5	746		1,181	27
28	<u>GT Mechanical- HVAC air handler repairs</u>	2003	1,533	307	5	307		435	28
29	<u>Action Fence Contractor-rail pipe railings</u>	2003	1,875	188	10	188		235	29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 553,635	\$ 38,310		\$ 38,310	\$	\$ 239,134	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)
B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		\$ 553,635	\$ 38,310		\$ 38,310	\$	\$ 239,134	1
2									2
3	Alden Bennett Const.-Roof repair	2004	16,439	1,096	10	1,096		1,096	3
4	Alden Bennett Const.-Floor repair	2004	2,429	162	10	162		162	4
5	Alden Bennett Const.-Roof repair	2004	1,854	93	10	93		93	5
6	CSI Coker-install thermostats	2004	1,853	154	5	154		154	6
7	GT Mechanical-replace motor pump	2004	1,362	114	5	114		114	7
8	Alden Bennett Const. Repair control valves	2004	2,643	176	5	176		176	8
9	GT Mechanical-receiver,controller/gauge	2004	2,165	54	10	54		54	9
10	Capps Plumbing-repair toilets,dishwasher	2004	1,635	41	10	41		41	10
11	Capps Plumbing-repair/rod main kitchen	2004	4,375	109	10	109		109	11
12	Alden Bennett Cons.lock setrs	2004	5,110	85	5	85		85	12
13	CSI Coker-replace A/C system	2004	5,103	213	10	213		213	13
14	Insinc Tellnet-DSL cable	2004	1,334	122	10	122		122	14
15	Alden Bennett Cons. Bathroom upgrades	2004	10,405	780	10	780		780	15
16	Alden Bennett Cons.-fire exit	2004	6,638	194	20	194		194	16
17	Alden Bennett Cons.-fire exit,stairwell,locks	2004	11,234	281	20	281		281	17
18	Alden Bennett Cons. Bathroom upgrades	2004	7,281	485	10	485		485	18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 635,495	\$ 42,469		\$ 42,469	\$	\$ 243,293	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12D, Carried Forward		\$ 635,495	\$ 42,469		\$ 42,469	\$	\$ 243,293	1
2									2
3	Related Party-Forum:								3
4	Leasehold Improvement-Remodeling	1980	12,303		15			12,303	4
5	Leasehold Improvement-Remodeling	1980	19,273		20			19,273	5
6	Leasehold Improvement-Tenant Improvement	1987	996		13			996	6
7	Leasehold Improvement-AMS Remodel	1988	14,339		10			14,339	7
8	Leasehold Improvement-Roof	1994	3,572	223	16	223		2,234	8
9	Leasehold Improvement-Build.Improv.	1996	1,259	79	16	79		704	9
10	Leasehold Improvement-Asphalting	2000	98		3			98	10
11	Leasehold Improvement-DAI	2001	172	17	10	17		54	11
12	Leasehold Improvement-Bathrooms	2002	733	82	7	82		181	12
13	Leasehold Improvement-Suite Renovation	2003	1,638	164	10	164		328	13
14	Leasehold Improvement-Plumbing, Construct, Concrete, Doors, etc	2004	1,820	148	7	148		148	14
15	Leasehold Improvement-Add-on Improvement, fixture base	1980	79		23			79	15
16	Leasehold Improvement-Add-on Improvement, lighting base	2001	137	27	5	27		103	16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26	Related Party-AMS:								26
27	Leasehold Improvement-Remodeling	1993	5,938		7			5,938	27
28	Leasehold Improvement-Remodeling	2002	4,861	608	7	608		1,215	28
29	Leasehold Improvement-Remodeling	2003	5,085	775	7	775		1,394	29
30									30
31									31
32								2,041	32
33	Forum Extended Care, LLC-building/building improv	1999	13,393	266	30	266			33
34	TOTAL (lines 1 thru 33)		\$ 721,192	\$ 44,858		\$ 44,858	\$	\$ 304,721	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)								
	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 243,286	\$ 28,537	\$ 28,537	\$	various	\$ 128,278	71
72	Current Year Purchases	47,990	4,867	4,867		various	4,867	72
73	Fully Depreciated Assets	66,644	1,870	1,870		various	66,644	73
74								74
75	TOTALS	\$ 357,920	\$ 35,274	\$ 35,274	\$		\$ 199,789	75

D. Vehicle Depreciation (See instructions.)*									
	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9
76	car engine/bus/van	various/dodge	98-'04	\$ 8,164	\$ 130	\$ 130	\$	3	\$ 7,981
77									77
78									78
79									79
80	TOTALS			\$ 8,164	\$ 130	\$ 130	\$		\$ 7,981

E. Summary of Care-Related Assets				1	2
		Reference			Amount
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)			\$ 1,087,276
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)			\$ 80,262
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)			\$ 80,262
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)			\$
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)			\$ 512,491

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)				
	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4
86		\$	\$	\$
87				
88				
89				
90				
91	TOTALS	\$	\$	\$

G. Construction-in-Progress		
	Description	Cost
92		\$
93		
94		
95		\$

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

Hints: Of the 3 categories of input, PLUG the category that requires the most manual input. For example
Input Current Yr purchase section first, then the FD's (fully deprec assets), then plug the Not Fully Deprec. Section

McHenry
2004 MEDICAID COST REPORT
SCH XI, SECTION C, PAGE 13
LINES 37-41

	<u>COST</u>	2004 <u>CURRENT</u> <u>BOOK DEPR.</u>	2004 <u>ST LINE</u> <u>DEPR.</u>	<u>ADJUSTMENT,</u> <u>IF ANY</u>	12/31/2003 <u>ACCUM.</u> <u>DEPR.</u>
F&F AND EQUIP. NOT FULLY DEPREC.					
<u>ON PRIOR PURCHASES</u>					
Related Party-Ams	28,323.00	5,811.00	5,811.00	0.00	14,010.00
Related Party-Forum			0.00	0.00	
Computers	2,451.00	490.00	490.00	0.00	942.00
F & F	31,289.00	3,006.00	3,006.00	0.00	15,040.00
Equipment/Maj. Mov.	181,223.00	18,955.00	18,955.00	0.00	98,286.00
Partnership			0.00	0.00	
Off book equip./F & F			0.00	0.00	
SUBTOTAL LINE	243,286.00	28,262.00	28,262.00	0.00	128,278.00
<u>ON CURRENT PURCHASES</u>					
Related Party-Ams	2,268.00	734.00	734.00	0.00	734.00
Related Party-Forum				0.00	
Computers	1,120.00	56.00	56.00	0.00	56.00
F & F	18,441.00	1,659.00	1,659.00	0.00	1,659.00
Equipment/Maj. Mov.	26,161.00	2,418.00	2,418.00	0.00	2,418.00
Partnership				0.00	
Off book equip./F & F			0.00	0.00	
SUBTOTAL LINE	47,990.00	4,867.00	4,867.00	0.00	4,867.00
FULLY DEPRECIATED ASSETS					
Related Party-Ams	47,882.00	1,478.00	1,478.00	0.00	47,882.00
Related Party-Forum			0.00	0.00	
Computers	3,419.00	0.00	0.00	0.00	3,419.00
F & F	1,555.00	0.00	0.00	0.00	1,555.00
Equipment/Maj. Mov.	13,788.00	392.00	392.00	0.00	13,788.00
Partnership			0.00	0.00	
Off book equip./F & F			0.00	0.00	
SUBTOTAL LINE	66,644.00	1,870.00	1,870.00	0.00	66,644.00
TOTAL LINE	357,920.00	34,999.00	34,999.00	0.00	199,789.00

TEST:

AMOUNTS FROM SPREADSHEET
S/B ZERO

#VALUE!

#VALUE!

#VALUE!

#VALUE!

#VALUE!

#VALUE!

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: T.L. Enterprises,Inc.
2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions.
- ☒ YES
- ☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$ 2,403,904			3
4	Additions							4
5								5
6								6
7	TOTAL				\$ 2,403,904			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease
-
-

9. Option to Buy:
- ☒ YES
- ☐ NO
- Terms: 80,000/bed until 2010 *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?
- ☐ YES
- ☒ NO
16. Rental Amount for movable equipment: \$ 11,095 Description: copy machine\$9,900 postage \$1,194
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			\$	\$	17
18				25,782	18
19					19
20					20
21	TOTAL		\$	\$ 25,782	21

10. Effective dates of current rental agreement:

Beginning 1995

Ending 2010

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2005	\$ 2,501,917
13.	/2006	\$ 2,547,092
14.	/2007	\$ 2,593,227

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?

☐ YES

☒ NO

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

skilled nursing on-site

2. CLASSROOM PORTION:

IN-HOUSE PROGRAM

IN OTHER FACILITY

COMMUNITY COLLEGE

HOURS PER AIDE

☐

☐

☐

3. CLINICAL PORTION:

IN-HOUSE PROGRAM

IN OTHER FACILITY

HOURS PER AIDE

☐

☐

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

\$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.

(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.

(c) For in-house training programs only. Do not include fringe benefits.

(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.

(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.

(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	39-3	hrs	\$		\$ 172,828	\$		\$ 172,828	1
2	Licensed Speech and Language Development Therapist	39-3	hrs			51,022			51,022	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs			227,836			227,836	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	see pg 16a	# of prescrpts				99,720		99,720	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):	see pg 16a				(96,386)	233,301		136,915	13
14	TOTAL			\$		\$ 355,300	\$ 333,021		\$ 688,321	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

ALDEN TERRACE OF MCHENRY REHAB

2004

Page 16

Col 5: PT,OT, & ST

Col 6: Other

Amount

XIV. SPECIAL SERVICES (Direct Cost)

Service

1. OT	39-3	\$172,828.00
2. ST	39-3	51,022.00
3.		
4. PT	39-3	227,837.00
5.		
6.		
7.		
8.		
9. Pharmacy	See pg 16A	133,187.00
Plus: Related Party- Forum Drugs		(18,308.00)
Plus: Related Party- Forum I.V.		(15,159.00)
Total to line 9 Pharmacy		99,720.00
10.		
11.		
12. Exceptional Care-Column 3	See pg 16A	0.00
12. Exceptional Care-Column 6	See pg 16A	0.00
13. Other Lab,x-ray therapy,Mattress,Pyramid billings		213,215.00
Related Party- Pyramid		(25,091.00)
Related Party- CPT		(96,386.00)
Oxygern Cost-IDPA		45,176.00
Total to line 13		136,914.00
14. Total		688,321.00

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 170,000)	1,764,088		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	11,776		6
7	Other Prepaid Expenses	2,448		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Due from 3rd parties	57,301		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,835,613	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	948,000		12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	734,790		15
16	Equipment, at Historical Cost	279,448		16
17	Accumulated Depreciation (book methods)	(458,604)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	212,895		21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,716,529	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 3,552,142	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 2,286,202	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	184,862		28
29	Short-Term Notes Payable	51,163		29
30	Accrued Salaries Payable	314,938		30
31	Accrued Taxes Payable (excluding real estate taxes)	20,264		31
32	Accrued Real Estate Taxes(Sch.IX-B)	222,800		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	accr. Ins,exps,idpa,sales tax	1,099,659		36
37	Due to Affiliates	4,592,158		37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 8,772,046	\$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	18,229		39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 18,229	\$	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 8,790,275	\$	46
47	TOTAL EQUITY(page 18, line 24)	\$ (5,238,133)	\$	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 3,552,142	\$	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (3,816,872)	1
2	Restatements (describe):		2
3	external audiot adjustments made after 2003 cost report		3
4	was submitted-no effect on prior years report.	(14,886)	4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (3,831,758)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(1,406,375)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (1,406,375)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (5,238,133)	24 *

* This must agree with page 17, line 47.

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.
Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

1			
	Revenue	Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	\$ 8,599,982	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 8,599,982	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	26,435	6
7	Oxygen	79,067	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 105,502	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop	111	12
13	Barber and Beauty Care	3,817	13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	695	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	(50)	19
20	Radiology and X-Ray		20
21	Other Medical Services	9,373	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 13,946	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	2,344	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 2,344	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Late fees, affiliated adjustment</u>	8,203	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 8,203	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 8,729,977	30

2			
	Expenses	Amount	
	A. Operating Expenses		
31	General Services	1,341,726	31
32	Health Care	3,004,656	32
33	General Administration	1,759,236	33
	B. Capital Expense		
34	Ownership	3,013,913	34
	C. Ancillary Expense		
35	Special Cost Centers	843,337	35
36	Provider Participation Fee	173,484	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 10,136,352	40
41	Income before Income Taxes (line 30 minus line 40)**	(1,406,375)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (1,406,375)	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? Not yet done If not, please attach a reconciliation.

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	1,896	2,080	\$ 61,321	\$ 29.48	1
2	Assistant Director of Nursing	2,051	2,139	56,461	26.40	2
3	Registered Nurses	34,120	36,614	920,339	25.14	3
4	Licensed Practical Nurses	16,547	17,493	397,096	22.70	4
5	Nurse Aides & Orderlies	73,403	76,661	1,069,539	13.95	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	1,931	2,088	30,735	14.72	8
9	Activity Director	1,790	1,990	26,130	13.13	9
10	Activity Assistants	7,969	8,434	74,314	8.81	10
11	Social Service Workers	1,984	2,080	30,451	14.64	11
12	Dietician					12
13	Food Service Supervisor	1,960	2,080	34,567	16.62	13
14	Head Cook					14
15	Cook Helpers/Assistants	22,004	23,062	199,982	8.67	15
16	Dishwashers					16
17	Maintenance Workers	2,064	2,072	32,991	15.92	17
18	Housekeepers	20,395	21,237	155,704	7.33	18
19	Laundry	8,190	8,672	69,277	7.99	19
20	Administrator	1,920	2,080	79,929	38.43	20
21	Assistant Administrator					21
22	Other Administrative	4,240	4,480	81,920	18.29	22
23	Office Manager					23
24	Clerical	4,247	4,427	44,723	10.10	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	1,968	2,080	45,517	21.88	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care(specify)	2,000	2,088	49,446	23.68	32
33	Other(specify) <u>Alzheimer Dpt.</u>	4,685	4,799	47,248	9.85	33
34	TOTAL (lines 1 - 33)	215,364	226,656	\$ 3,507,690 *	\$ 15.48	34

B. CONSULTANT SERVICES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	800/mo	\$ 9,600	1-3	35
36	Medical Director	2725/mo	32,700	10-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	632/mo	7,584	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	67	3,592	11-3	44
45	Social Service Consultant	16	904	11-3	45
46	Other(specify)				46
47	<u>Alzheimer's Consultant</u>	various	3,743	11-3	47
48					48
49	TOTAL (lines 35 - 48)	83	\$ 58,123		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses		\$ N/A		50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		\$		53

* This total must agree with page 4, column 1, line 45.

** See instructions.

STATE OF ILLINOIS

Facility Name & ID Number ALDEN TERRACE OF MCHENRY REHAB # 0040691 Report Period Beginning: 01/01/2004 Ending: 12/31/2004

Page 21

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name

Function

Ownership %

Amount

D. Tumulak

Administrator

0

79,929

TOTAL (agree to Schedule V, line 17, col. 1)

(List each licensed administrator separately.)

\$ 79,929

B. Administrative - Other

Description

Amount

\$

TOTAL (agree to Schedule V, line 17, col. 3)

(Attach a copy of any management service agreement)

\$

C. Professional Services

Vendor/Payee

Type

Amount

Alden Management Serv.

Management fees

645,908

BDO Seidman

Accounting Fees

11,544

K Fisch

Legal Fees

13,454

Barry Greenburg

Legal Fees

2,600

Medicom

billing consultants

810

Royal Terrace

Legal Fees

698

Dart Systems,LLC.

Mediacare Consultants

54,168

TOTAL (agree to Schedule V, line 19, column 3)

(If total legal fees exceed \$2500 attach copy of invoices.)

\$

729,182

D. Employee Benefits and Payroll Taxes

Description

Amount

Workers' Compensation Insurance

\$ 71,931

Unemployment Compensation Insurance

58,477

FICA Taxes

261,276

Employee Health Insurance

51,607

Employee Meals

37,238

Illinois Municipal Retirement Fund (IMRF)*

Dental,Life,401K ,realtiosn

2,163

Emplouee vacciantions

3,929

drug test,miscellaneous expense

4,503

Mkt manager benefits

(1,162)

TOTAL (agree to Schedule V, line 22, col.8)

\$ 489,962

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description

Line #

Amount

\$

TOTAL

\$

F. Dues, Fees, Subscriptions and Promotions

Description

Amount

IDPH License Fee

\$

Advertising: Employee Recruitment

475

Health Care Worker Background Check

(Indicate # of checks performed 51)

356

Ill Health Care Assoc.

8,103

Surety Bond/other dues

2,273

Health data Solutions

1,400

McHenry County Chamber

580

Sec of State

200

realted party

618

Less: Public Relations Expense

()

Non-allowable advertising

()

Yellow page advertising

()

TOTAL (agree to Sch. V, line 20, col. 8)

\$ 14,005

G. Schedule of Travel and Seminar**

Description

Amount

Out-of-State Travel

\$

In-State Travel

Auto/Gas expense

1,254

Seminar Expense

Alzeheimer Conference

250

IHCA Conference

1,045

Related party

16,448

Entertainment Expense

()

(agree to Sch. V, line 24, col. 8)

TOTAL

\$ 18,997

* Attach copy of IMRF notifications

**See instructions.

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

1		2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
1	painting and Decorating	11/95	\$ 9,250	3	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	painting and Decorating	10/95	4,610	3									
3	Touchup painting	2/96	1,430	3									
4	Ice Machine; A/C Rep	5/96	3,451	10	345	345	345	345	345	115			
5	Boiler repair	5/96	2,437	10	244	244	244	244	244	81			
6	painting and Decorating	5/96	1,610	3									
7	painting and Decorating	9/96	1,078	3									
8	painting and Decorating	1/96	1,430	3									
9	HVAC Revision	2/96	1,590	10	159	159	159	159	159	13			
10	Painting	3/96	1,610	3									
11	Painting	8/96	1,610	3									
12	Painting	4/96	1,610	3									
13	Painting	7/96	1,610	3									
14	Painting	12/96	1,104	3									
15	Painting	9/96	1,610	3									
16	Painting	11/96	1,380	3									
17	Install motor	4/96	3,406	10	341	341	341	341	341	85			
18	Dishwasher motor	5/96	1,789	10	179	179	179	179	179	60			
19	Replace inducer motor	1/97	3,051	3									
20	TOTALS		\$ 45,666		\$ 1,268	\$ 1,268	\$ 1,268	\$ 1,268	\$ 1,268	\$ 355	\$	\$	\$

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

1	2	3	4	5	6	7	8	9	10	11	12	13		
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year									
						FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1	Belts ande defrost timer	5/97	\$ 1,608	3	\$	\$ 179	\$	\$	\$	\$	\$	\$		
2	Hot Water mixing Valve	6/97	2,886	3		401								
3	Repair A/C	7/97	1,593	3		265								
4	Boiler repair	10/97	1,505	3		36								
5	Painting	10/97	15,609	3		3,902								
6	Sink/valve replacement	2/98	1,961	3		654	54							
7	A/C air handlers	4/98	1,733	3		578	144							
8	Painting	3/98	7,492	3		2,497	416							
9	Painting	6/98	4,628	3		1,543	643							
10	Painting	9/98	2,651	3		884	589							
11	Painting	12/98	9,008	3		3,003	2,752							
12	Tank Repair	4/99	1,925	3		642	642	160						
13	Painting	7/99	8,432	3		2,811	2,811	1,405						
14	Painting	7/00	8,926	3		1,488	2,975	2,975	1,487	0				
15	Repair HVAC	1/00	1,626	3		542	542	542	0	0				
16	Paving/Wallcover	9/00	8,309	3		923	2,770	2,770	1,847	0				
17	Painting/Wallcover	9/00	7,654	3		850	2,551	2,551	1,701	0				
18	Bolt Flange/Check valve	1/01	1,865	3			622	622	622	0				
19	Fire Alarm Maint	3/01	2,151	1			1,793	359						
20	Painting	07/04	0	3						0				
20	TOTALS		\$ 91,562		\$	\$ 21,198	\$ 19,304	\$ 11,384	\$ 5,657	\$	\$	\$		

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

1	2	3	4	5	6	7	8	9	10	11	12	13		
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year									
						FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1	Replace phase monitor	02/01	\$ 1,898	3	\$	\$	\$ 527	\$ 633	\$ 633	\$ 106	\$	\$	\$	
2	Replace shaft	06/01	2,239	5			261	448	448	448	448	187	0	0
3	Replace pressure switch	0701	2,516	5			252	503	503	503	503	251	0	0
4	Coker	03/01	1,523	5			228	305	305	305	305	77	0	0
5	Painting	07/04	23,430	3						3,905	7,810	7,810	3,905	#REF!
6													0	#REF!
7														
8	Totals from page 22		45,666				2,285	1,268	1,268	1,268	1,268			
9	Totals from page 22A		91,562				21,198	19,303	11,383	5,657				
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20	TOTALS		\$ 168,834		\$	\$ 23,483	\$ 21,839	\$ 14,540	\$ 8,814	\$ 6,535	\$ 9,066	\$ 8,325	\$ 3,905	\$ #REF!

XX. GENERAL INFORMATION:

- (1)

Are nursing employees (RN,LPN,NA) represented by a union?

no
- (2)

Are there any dues to nursing home associations included on the cost report?

yes

If YES, give association name and amount.

IHCA: \$13,981
- (3)

Did the nursing home make political contributions or payments to a political action organization?

Yes

If YES, have these costs been properly adjusted out of the cost report?

Yes
- (4)

Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year?

no

If YES, what is the capacity?
- (5)

Have you properly capitalized all major repairs and equipment purchases?

yes

What was the average life used for new equipment added during this period?

9
- (6)

Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V.

\$

36,755

Line

10
- (7)

Have all costs reported on this form been determined using accounting procedures consistent with prior reports?

yes

If NO, attach a complete explanation.
- (8)

Are you presently operating under a sale and leaseback arrangement?

no

If YES, give effective date of lease.
- (9)

Are you presently operating under a sublease agreement?

YES

X

NO
- (10)

Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)?

YES

NO

X

If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.
- (11)

Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period.

\$

173,484

This amount is to be recorded on line 42 of Schedule V.
- (12)

Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee?

no

If YES, attach an explanation of the allocation.

- (13)

Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V?

yes
- (14)

Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B?

no

For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15)

Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V.

\$

37,238

Has any meal income been offset against related costs?

no

Indicate the amount.

\$
- (16)

Travel and Transportation

a. Are there costs included for out-of-state travel?

n/a

If YES, attach a complete explanation.

b. Do you have a separate contract with the Department to provide medical transportation for residents?

n/a

If YES, please indicate the amount of income earned from such a program during this reporting period.

\$

n/a

c. What percent of all travel expense relates to transportation of nurses and patients?

n/a

d. Have vehicle usage logs been maintained?

n/a

e. Are all vehicles stored at the nursing home during the night and all other times when not in use?

n/a

f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report?

n/a

g. Does the facility transport residents to and from day training?

n/a

Indicate the amount of income earned from providing such transportation during this reporting period.

\$

n/a
- (17)

Has an audit been performed by an independent certified public accounting firm?

yes

Firm Name:

BDO Seidman

The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached?

no

If no, please explain.

not yet completed
- (18)

Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V?

yes
- (19)

If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report?

yes

Attach invoices and a summary of services for all architect and appraisal fees.

From Line	To Line	Amount	Description
2		(37,238)	Employee Meal
	22	37,238	Employee Meal
22		(6,121)	Uniforms
	10	3,608	Uniforms
	6	81	Uniforms
	4	353	Uniforms
	1	330	Uniforms
	3	1,479	Uniforms
	11	127	Uniforms
	21	143	Uniforms
		<hr/> 0	Net should be 0